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LETTER DATED 5 DECEMBER 1996 FROM THE PERMANENT REPRESENTATIVE OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

I have the honour to draw to your attention the Conclusions of the Peace Implementation Conference, on Bosnia and Herzegovina, which was held in London on 4 and 5 December 1996.

I should be grateful if you could have the text of the present letter and its annex circulated as a document of the Security Council.

(Signed) John WESTON
Permanent Representative

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Annex

London Peace Implementation Conference 1996

Bosnia and Herzegovina 1997: Making Peace Work

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LONDON PEACE IMPLEMENTATION CONFERENCE 1996

BOSNIA AND HERZEGOVINA 1997: MAKING PEACE WORK

I. SUMMARY OF CONCLUSIONS

1. The future of Bosnia and Herzegovina is as an independent and democratic state within internationally recognised borders, with guaranteed human rights and fundamental freedoms for all, and with a restructured, market-oriented economy, a commitment to free trade, strong economic and political relations with its neighbours, and developing links with the European Union. Meeting in London on 4 and 5 December 1996, the Peace Implementation Council reaffirms its commitment to these objectives, to be achieved through full implementation of the General Framework Agreement for Peace in Bosnia and Herzegovina and its Annexes (the "Peace Agreement"). It recalls the conclusions of the PIC Review Conference in Florence on 14 June 1996 and of the Ministerial Meeting of the Steering Board with the Presidency of Bosnia and Herzegovina in Paris on 14 November 1996, and welcomes the substantial progress made in the past year. In particular:

* peace has taken root: in 1996, no Bosnian has died in military conflict;

* elections have been held, with the participation of 2.4 million citizens;

* barriers to freedom of movement have begun to be dismantled;

* the establishment of the new multi-ethnic common institutions, most recently the setting up of the Council of Ministers, has begun;

* reconstruction is underway.

2. The next stage is to build upon the achievements of the past twelve months: to consolidate peace; to encourage reconciliation and economic, political and social regeneration; to take the radical steps necessary to restore a multi-ethnic Bosnia and Herzegovina to economic health and prosperity and to enable it to take its place in the region and in Europe.

3. These objectives require the full commitment of all the leaders of Bosnia and Herzegovina and its two Entities (Federation of Bosnia and Herzegovina and Republika Srpska). There are important areas of the Peace Agreement where little progress has been made. Of the 2.1 million citizens who have been displaced or become refugees, only 250,000 have returned. Human rights abuses continue: people are still being expelled from their home areas for ethnic reasons and homes are still being destroyed. People are still being harassed when exercising their right to move freely around the country. Progress in reconstruction has been hampered by the failure of the authorities in Bosnia and Herzegovina to provide all the necessary mechanisms and structures to maximise the effectiveness of the international community's efforts. Some of the new common institutions have not yet been constituted. Persons indicted for war crimes by the International Criminal Tribunal for the Former Yugoslavia have not been surrendered to stand trial in The Hague. Agreed weapons reductions have still not been implemented. Mines have not been cleared.

4. While the Peace Implementation Council is committed to the peace process, responsibility for reconciliation lies with the authorities and citizens of Bosnia and Herzegovina, who must progressively take charge of their own affairs. The Council's willingness to devote human and financial resources is dependent upon a strengthened commitment from the authorities in Bosnia and Herzegovina to implementation of the Peace Agreement. Specific criteria for this conditionality are set out in the texts following this summary. The Republic of Croatia and the Federal Republic of Yugoslavia, as parties to the Peace Agreement and immediate neighbours, must continue to work for a peaceful, united and stable Bosnia and Herzegovina and for a normal and constructive relationship

between themselves and with Bosnia and Herzegovina, including the early establishment of diplomatic relations. In particular the Council expects full cooperation from them on regional stabilisation, human rights, indicted persons and refugee return.

5. Following the development in Paris on 14 November 1996 of guiding principles for the two-year civilian consolidation plan, the Peace Implementation Council has approved at this conference the following Action Plan for the coming twelve-month period:

* regional stabilisation: continuing substantial progress in the implementation of confidence- and security-building measures (Article II Agreement) and ensuring full implementation of the Agreement on sub-regional arms control (Article IV) by the agreed deadlines, including full implementation of the baseline validation inspections, correct reporting, proper application of counting rules and completion of first phase reductions by 31 December 1996 and second phase reductions by 31 October 1997, in close cooperation with the Personal Representatives of the OSCE Chairman-in-Office for both Agreements;

* human rights: respecting the highest level of internationally recognised human rights and fundamental freedoms and ensuring that the authorities in Bosnia and Herzegovina cooperate fully with the Ombudsman and the Human Rights Chamber and implement their conclusions and decisions;

* war crimes: ensuring that all states and Entities concerned execute arrest warrants against indictees and surrender them to the Tribunal without further delay; injecting extra resources into the Tribunal to improve its investigative capacity; insisting on full cooperation with Tribunal investigations and requests for information; insisting on full compliance with the "Rules of the Road" agreed in Rome on 18 February 1996;

* democratisation: setting up effective institutions without delay; amending laws inconsistent with the Constitution; creating the conditions for a viable and democratic civil society;

* refugees and displaced persons: creating and maintaining conditions to encourage the return of refugees and displaced persons to places of their choice in either of the two Entities;

* freedom of movement: creating urgently an integrated strategy and a task force to secure full compliance with the freedom of movement requirements of the Peace Agreement; encouraging full respect for the "rules of the road"; elimination of laws and regulations which inhibit free movement; establishment of a national number-plate system; extension of cross-Entity road and rail services; agreement on a linked telecommunications system and a commonly-administered airspace for Bosnia and Herzegovina;

* elections: holding municipal elections by summer 1997, supervised by the OSCE; promoting a politically open electoral environment, including full participation by opposition parties and equitable access to mass media;

* policing: improving the effectiveness of the International Police Task Force (IPTF) by allowing it to investigate or assist with investigations into allegations of misconduct by police and to propose the sanctioning of offenders; ensuring police reform and providing material and financial support conditional upon implementation of democratic policing principles and cooperation with the IPTF; obtaining additional resources from the international community;

* market economy: constructing a market economy based on respect for free market and open trading principles; instituting a legal framework including passage of central and Entity budgets; agreeing an IMF stabilisation programme;

* reconstruction: insisting on continued linkage between the provision of reconstruction assistance and the authorities'

commitment to implementation of the Peace Agreement; giving high priority to those reconstruction projects which link and integrate the Entities, foster refugee return and create jobs; ensuring action by the authorities to enable early agreement on an IMF stabilisation programme which will encourage both substantial debt relief by the Paris and London Clubs and a positive response from the international community and the international financial institutions at the 1997 donors' conference; the distribution of aid on an equitable basis consistent with real needs throughout Bosnia and Herzegovina, conditional upon support for implementation of the Peace Agreement; recognition of the need for quicker disbursement, including disbursement of the vast majority of 1996 pledges by June 1997, and rapid commitment of 1997 pledges with disbursement of a significant percentage of these by the end of 1997, provided the authorities of Bosnia and Herzegovina cooperate;

* Central Bank: ensuring that the Central Bank is operational by early 1997; adoption of legislation and agreement on the practical arrangements for the new currency;

* mine removal: ensuring that the authorities in Bosnia and Herzegovina commit resources, waive taxation on humanitarian assistance and cooperate by providing complete information to the United Nations Mine Action Centre; implementing as soon as possible in 1997 an effective and extensive civilian mine clearing operation;

* reconciliation: adoption of legislation and other measures to encourage tolerance and equality and to secure basic rights; adoption of a Bosnia and Herzegovina flag and symbols; agreement on all Ambassadors representing Bosnia and Herzegovina;

* media: developing a media regulatory framework consistent with OSCE standards; providing the necessary licences and facilities to enable the Open Broadcast Network, TV-IN, as well as other independent broadcasters, to operate free of arbitrary interference;

* education: the restoration of educational systems and their transformation into systems which are open and non-discriminatory, teach democratic values and respect for human rights and recognise and respect the cultural heritage of all the peoples of Bosnia and Herzegovina;

* Brcko Area: re-commitment of the authorities in Bosnia and Herzegovina to unequivocal support for the arbitration of the Brcko Area and the Tribunal process, and to full implementation of the arbitration decision;

* customs: adoption of a customs law and a customs tariff law, coordination of customs procedures and administration between the Entities and removal of internal barriers to trade; facilitation of external trade through establishment of border crossing points along the entire state border line where appropriate.

6. The authorities in Bosnia and Herzegovina acknowledge their individual responsibilities to fulfil their obligations, and accept that any failure to do so by another party does not release them from these obligations.

7. The Peace Implementation Council, recognising Bosnia and Herzegovina's wish for a close relationship with the European Union, welcomes the European Commission's intention to consider proposing a contractual relationship between the European Union and Bosnia and Herzegovina.

8. The Council also confirms the continuation of the mandate of the High Representative, with reinforced co-ordination structures, including in the field of reconstruction.

9. The texts following this summary set out more detailed goals and targets for peace implementation, agreed by Bosnia and Herzegovina and the two Entities, the Federation of Bosnia and Herzegovina (the Federation) and Republika Srpska (referred to throughout these Conclusions as "the authorities in Bosnia and Herzegovina"), and endorsed by the Republic of Croatia and the Federal Republic of Yugoslavia. The texts

also contain detailed commitments of support from the Peace Implementation Council, conditional upon continued adherence by the authorities in Bosnia and Herzegovina to the full implementation of the Peace Agreement. A further meeting of the Peace Implementation Council will be held towards the end of 1997, with a review at mid-term.

10. Recognising the fundamental importance of a secure environment to the task of civilian implementation during 1997, the Council, including the authorities in Bosnia and Herzegovina, welcomes the decision made in principle by NATO members, in cooperation with other states participating in IFOR, to provide a smaller multinational stabilisation force (SFOR) in 1997 under the same robust rules of engagement as IFOR. By contributing to a secure environment for the Action Plan set out in these Conclusions, SFOR will make a vital contribution to the peace process in Bosnia and Herzegovina.

II. REGIONAL STABILIZATION

11. In accordance with the agreement reached at Paris on 14 November 1996, the Council underlines the importance of pursuing control of armaments at the lowest possible level of weapons, and of implementing fully and without delay the agreements signed in Vienna on 26 January 1996 and in Florence on 14 June 1996.

Article II Agreement: Inter-Entity Confidence- and Security-Building Measures

12. The Council welcomes the substantial progress made in establishing inter-Entity confidence- and security-building measures and looks forward to full implementation of the Article II Agreement. It congratulates the two OSCE Personal Representatives for Article II on their achievements.

13. The Parties to the Article II Agreement undertake to move rapidly to full implementation.

Article IV Agreement: Sub-Regional Arms Control

14. The Council welcomes progress made towards implementation of the Article IV Agreement, but deplores continued delays over full implementation of the baseline validation inspections and the first phase of reductions. It congratulates the OSCE Personal Representative for Article IV on his achievements.

15. The Parties to the Article IV Agreement reconfirm their obligation to cooperate fully with each other and with the OSCE in avoiding any circumvention and adhering to the implementation timetable. The Parties undertake to:

* submit on or before 16 December 1996 an additional information exchange giving precise, comprehensive and accurate data about their weapons holdings on the day of submission;

* adjust their reduction liabilities where necessary to bring them into line with this data exchange and to ensure that exemptions are claimed for no more than 5% of the total holdings under the counting rules in Article III of the Agreement;

* for the Parties which have not yet completed their first phase reductions, submit by 16 December 1996 complete reduction plans for 1996 covering at least 20% of the total reduction liability for tanks and ACVs; and at least 40% of the total reduction liability for the other categories of weapons limited by the Agreement;

* complete first phase reductions by 31 December 1996;

* ensure that the data on 1 January 1997 weapons holdings submitted on 16 December 1996 under the terms of the Agreement is based on rigorous compliance with the above four commitments;

* complete all reductions by 1 November 1997;

* resolve immediately differences which are impeding the smooth running of the inspection regime.

16. The Council recommends that the OSCE Personal Representative under Article IV should remain as Chairman of the Sub-Regional Consultative Commission until the end of 1997.

Article II and IV Agreements

17. The Council recommends that the assessment of the OSCE Personal Representatives of the Parties' progress in implementing the Article II and Article IV Agreements be taken into account by IFOR/SFOR when deciding whether to grant permission to withdraw equipment from cantonments or to hold exercises; that permission may not be granted to Parties if they have not met agreed reduction targets; and that permission may not be granted to Parties which, in the opinion of the OSCE Special Representatives, are hindering implementation.

18. The Council welcomes the close co-operation between OSCE and IFOR in their efforts to assist the Parties to the Agreement towards meeting their obligations. The Council looks forward to

similar co-operation between OSCE and SFOR in 1997.

19. The Council welcomes the substantial assistance which the Parties have received to implement the Article II and Article IV Agreements, and undertakes to provide further assistance where needed, co-ordinated through the OSCE.

Article V: Regional Arms Control

20. With respect to regional arms control, and following satisfactory progress in the implementation of the Article II and Article IV Agreements, the Council calls for efforts to continue to promote the implementation of Article V of Annex 1-B of the Peace Agreement under the auspices of the OSCE Forum for Security Cooperation.

III. HUMAN RIGHTS AND WAR CRIMES

21. The Council supports the central role of the High Representative in chairing the Human Rights Task Force, which brings together the organisations and agencies involved in the implementation of the Peace Agreement.

22. The Council recalls the obligation of the authorities in Bosnia and Herzegovina to secure to all persons within their jurisdiction the highest level of internationally recognised human rights and fundamental freedoms. The authorities in Bosnia and Herzegovina undertake to meet their human rights commitments in the Peace Agreement, in particular through:

* full cooperation with the Ombudsman and the Human Rights Chamber by authorities at all levels, and implementation of their conclusions and decisions;

* direct application of the rights and freedoms set forth in the European Convention for the Protection of Human Rights and Fundamental Freedoms;

* promotion and encouragement of activities of non-governmental organisations and international organisations for the protection and promotion of human rights.

23. The Council recalls the obligation of Bosnia and Herzegovina to remain or become party to the human rights agreements listed in Annex I to the Constitution of Bosnia and Herzegovina, and urges that this be done at an early date. The Council notes the intention of Bosnia and Herzegovina to develop rapidly a genuinely independent judiciary enforcing the rule of law, and urges the authorities in Bosnia and Herzegovina to take specific steps to turn their commitment to ensure the highest level of internationally recognised human rights into a reality (as required by Article II(6) of the Constitution).

24. The Council of Europe stands ready to contribute to

the re-establishment of the rule of law, the development of an independent judiciary and of police forces operating according to democratic policing principles.

25. The Council notes with serious concern that widespread violations of human rights continue in Bosnia and Herzegovina. The elimination of such violations remains vital to the achievement of a lasting peace.

26. The Council reaffirms that without consistent progress in implementing internationally acceptable standards of human rights in Bosnia and Herzegovina, the international community will not maintain its level of commitment of human and financial resources for reconstruction.

27. The Council therefore calls upon the authorities in Bosnia and Herzegovina to continue to cooperate with the United Nations Commission on Human Rights, the United Nations High Commissioner for Human Rights, the OSCE, the Council of Europe and other intergovernmental or regional human rights missions or organisations monitoring the human rights situation in Bosnia and Herzegovina and contributing to reconciliation among all peoples in the country. The Council welcomes international support for the work of the Ombudsman and the Human Rights Chamber and calls upon Bosnia and Herzegovina to fulfil its obligation to bear the expenses of these bodies. The Council calls for continued support for the Federation Ombudspersons and continued provision by the international community of advisory services and technical cooperation to non-governmental organisations and Bosnia and Herzegovina institutions.

War Crimes

28. The Council reaffirms its strong support for the International Criminal Tribunal for the Former Yugoslavia in

carrying out its responsibilities for dispensing justice impartially under the terms of the Peace Agreement. The Council agrees that it will:

- increase pressure on the authorities in Bosnia and Herzegovina and other states, particularly those which have failed to comply with arrest warrants issued by the Tribunal, to cooperate fully with the Tribunal, including by surrendering indictees and providing information to assist in Tribunal investigations. The authorities in Bosnia and Herzegovina will continue to submit all cases involving suspected war crimes to the Tribunal for review prior to arrest or prosecution before national courts;

- provide additional resources to the Tribunal. These resources will be used to enhance information-sharing between the Tribunal, governments and law enforcement agencies, to increase the information-gathering capacity of the Tribunal in relation to all indictees and to provide the necessary material and personnel resources to the Tribunal to carry out its obligations under the Statute and under the "Rules of the Road".

29. The Council charges the Steering Board to consider what further measures can be taken to facilitate the delivery of indictees to the Tribunal for trial.

30. As stated in the Paris Conclusions, the provision of economic reconstruction assistance is closely linked to cooperation in this area. The authorities in Bosnia and Herzegovina are reminded that their obligations under international law take precedence over any provisions in their local or national legislation.

31. The Council emphasises that no indicted person who has failed to comply with an order of the Tribunal may stand as a

candidate or hold any appointive, elective or other public office at any level, including military office, in the territory of Bosnia and Herzegovina.

32. The Council notes the agreement of the authorities in Bosnia and Herzegovina that no member of the House of Peoples, the House of Representatives, the Presidency or the Council of Ministers will be prosecuted, arrested or detained, without the consent of the Parliamentary Assembly, unless that person is under indictment by the Tribunal or caught in the act of committing a serious offence.

The Missing

33. The Council welcomes the commitment by the International Committee of the Red Cross (ICRC) to complete by the end of 1996 a list containing all available information on people reported missing, and calls upon the authorities in Bosnia and Herzegovina to provide information and other assistance to the ICRC to help the tracing process.

34. The Council welcomes the commitment of the ICRC to provide an individual response to each tracing request, detailing the measures which have been undertaken to trace the missing.

35. The authorities in Bosnia and Herzegovina have undertaken to provide a suitable legal framework to regularise the legal circumstances of the families of those missing presumed dead once a response to a tracing request has been provided by the ICRC.

36. The authorities in Bosnia and Herzegovina have agreed to allow one another immediate access to potential burial sites for the process of exhumation and retrieval of bodies. The Council stresses the importance of coordinating the many

initiatives being undertaken which involve exhumation. In this context it welcomes the central role being played by the Working Group on the Process for Tracing Persons Unaccounted For chaired by the ICRC, and by the Expert Group on the Missing and Exhumation chaired by the High Representative, and commends the efforts of the United Nations Expert on Missing Persons.

37. The Council welcomes the initiative taken by the International Commission on Missing Persons in the Former Yugoslavia (ICMP) to work with the ICRC, the Office of the High Representative and others to secure full cooperation of the Federal Republic of Yugoslavia, the Republic of Croatia and the authorities in Bosnia and Herzegovina in providing information on the missing.

Prisoners

38. The Council calls for an end to the continuing practice of arbitrary arrest and detention which, along with the threat of war crimes charges, substantially impedes freedom of movement. The Council further calls upon the responsible authorities to release all persons detained for war crimes in cases which are not submitted for review to the Tribunal.

39. The Council welcomes the agreement of the authorities in Bosnia and Herzegovina to continue to grant to the ICRC and International Police Task Force unimpeded access to all places of detention and to all prisoners held in relation to the conflict and its consequences, including prisoners indicted or convicted for violations of international humanitarian law.

IV. CONSTITUTIONAL AND LEGAL MATTERS AND ELECTIONS

Bosnia and Herzegovina and the Entities

40. The Council welcomes the establishment of some of the common institutions of Bosnia and Herzegovina, and urges that the remaining institutions be established without delay. The authorities in Bosnia and Herzegovina are committed to cooperating in the working of these institutions at all levels and to complying scrupulously with the Constitution and the rule of law.

41. The Council underlines that all the political bodies elected on 14 September 1996 must respect the right of persons duly certified as elected by the OSCE to participate fully in the work of those bodies, irrespective of their religious beliefs.

42. The Council stresses the importance of further decisions to implement the Constitution, including agreement on a flag and other symbols of Bosnia and Herzegovina by 15 February 1997.

43. The Council welcomes the progress made in implementing the Constitutions of the Federation of Bosnia and Herzegovina and Republika Srpska. It expresses satisfaction that the Federation of Bosnia and Herzegovina and Republika Srpska have made most of the key changes to their Constitutions necessary to ensure conformity with the Constitution of Bosnia and Herzegovina and calls for the remaining changes to be made promptly referred quickly to the Constitutional Court.

44. The Council recalls that, in accordance with the Constitution of Bosnia and Herzegovina, the exercise of the right of each Entity to establish special parallel relationships with neighbouring states must be consistant with the sovereignty and territorial integrity of Bosnia and Herzegovina.

Federation of Bosnia and Herzegovina

45. The Council considers that a fully operational Federation of Bosnia and Herzegovina remains an essential prerequisite for peace and a cornerstone for the successful implementation of the Peace Agreement. To this end, comprehensive implementation of existing Federation agreements must be pursued with vigour.

46. The Council welcomes recent progress in the establishment of Federation structures, especially the convocation of the Cantonal and Federation Assemblies, the designation of the Federation representatives to the Bosnia and Herzegovina House of Peoples, the establishment of the Supreme Court of the Federation, the laws on the Federation flag and coat of arms, and the agreement on the future organisational structures of Sarajevo. The Council urges the Federation Assembly to adopt the proposal for the establishment of the Federation Implementation Council, as agreed at the Federation Forum in Washington on 14 May 1996.

47. The Council urges all those with political responsibility in the Federation to press strongly for the rapid election and appointment of the highest Federation executive officials, and the full integration of administrative, judicial and economic structures on both the Cantonal and the Federation level. Special attention must be given to the implementation of the future organisational structures of Sarajevo.

48. The Council reaffirms that all administrative and other structures in the Federation must now be fully and irreversibly integrated, and calls for the immediate dissolution, or where appropriate transfer to the Federation, of remaining structures of the so-called Croatian Republic of Herceg-Bosna or the Republic of Bosnia and Herzegovina which are not in accordance with the Constitution. In particular the Council deplores the taking over by so-called Herceg-Bosna authorities in Mostar of premises designated for the interim use of the city administration, along with any other actions which have the effect of preventing the effective functioning

of the legitimate city authorities.

49. The Federation authorities have agreed to take the necessary measures to ensure full respect for law and order throughout the city of Mostar, the effective operation of joint police, the effective functioning of the unified City Council in Mostar, the provision of adequate accommodation for the city administration in accordance with previous agreements, and the ending of restrictions on access to public assets by Federation officials.

Arbitration of the Brcko Area

50. The Council underlines the obligation of the parties, under the Peace Agreement, to accept the decisions of the Arbitration Tribunal on the issue set out in Article V of Annex 2. It requires the Federation of Bosnia and Herzegovina and Republika Srpska to engage fully in the process in their own best interests. The Council calls upon all those concerned to respect the strategic importance of this question for the whole process of reconciliation within Bosnia and Herzegovina.

Elections

51. The Council welcomes the OSCE's decision to extend the mandate of the OSCE Mission to Bosnia and Herzegovina until 31 December 1997. The Council welcomes also the agreement of the authorities in Bosnia and Herzegovina to OSCE supervision of the preparation and conduct of the municipal elections to be held in 1997, and their agreement to extend the mandate of the Provisional Election Commission until the end of 1997. The Council invites the OSCE to begin work immediately so that the necessary preparations can be completed in good time, and to this end undertakes to support the OSCE's efforts. It calls upon the authorities in Bosnia and Herzegovina to agree by consensus by 31 January 1997 the detailed rules for the municipal elections and to cooperate fully with the OSCE and Provisional Election Commission. It notes the agreement of the authorities in Bosnia and Herzegovina that the municipal elections will be held by the summer of 1997.

52. The Council recognises the political and organisational complexities of the municipal elections. It therefore urges the OSCE, its Head of Mission and the High Representative to continue to coordinate closely and to work with SFOR, IPTF, UNHCR and other agencies on the planning and implementation of the elections process and the management of the post-election period, and on the mechanisms for any necessary election re-runs and the installation of the elected officials. The Council requests the Steering Board and the OSCE Head of Mission to meet quickly, with the appropriate agencies, to agree how best to take work forward in these areas.

53. The Council welcomes the agreement of the authorities in Bosnia and Herzegovina to create the permanent Election Commission, to be established by a law of the Parliamentary Assembly of Bosnia and Herzegovina, with responsibilities to conduct future elections in Bosnia and Herzegovina after the municipal elections have been held and the results certified. The Commission will include both government and opposition political parties. In its preparations for the 1998 elections the Commission will be supported by international experts, whose decision will be final in the event of genuine deadlock.

54. Recalling the decision to align the duration of the first term of each of the bodies elected on 14 September 1996 with the two-year first term of the Presidency, the Council further welcomes the undertaking of the authorities in Bosnia and Herzegovina to cooperate fully in ensuring the holding of free and fair elections in 1998. They have undertaken to comply with the recognised conditions for democratic elections referred to in Article I of Annex 3 of the Peace Agreement, to organise these and all other elections through the permanent Election Commission, and to accept assistance from the OSCE and international election observers. To this end the Parliamentary Assembly of Bosnia and Herzegovina and the legislatures of the Federation and Republika Srpska will adopt or amend election laws.

55. The Council welcomes the commitment of the authorities in Bosnia and Herzegovina to full, free and open political

debate, including full participation by and free access for all opposition parties to the mass media.

Standing Committee on Military Matters

56. The Council notes with satisfaction the commitment of the Presidency of Bosnia and Herzegovina to establish at an early date the Standing Committee on Military Matters (SCMM) provided for in the Constitution, to include the Members of the Presidency, the Defence Ministers of the Federation and Republika Srpska and the Chiefs of Staff of the Federation and Republika Srpska, with the participation as observers (for the duration of their terms of office) of the High Representative and the SFOR Commander. The Standing Committee on Military Matters will hold monthly meetings. Any member, and the High Representative and the SFOR Commander or their representatives, will have the right to request a meeting outside that schedule. In areas within the competence of the Joint Military Commission, the decisions of the Joint Military Commission will take precedence over those of the Standing Committee on Military Matters.

Foreign Affairs

57. The Council recalls the responsibility of the Presidency of Bosnia and Herzegovina for appointing Ambassadors under Article V.3(b) of the Constitution. In this context, the Council urges the Presidency to appoint any new or replacement Ambassadors by the end of March 1997. All Ambassadors will represent the Presidency as a whole and the Presidency must have confidence in their capacity to represent Bosnia and Herzegovina.

Laws

58. The Council urges the Parliamentary Assembly of Bosnia and Herzegovina to adopt at an early date laws on the Central Bank, passports, citizenship, foreign trade, foreign investment, customs tariffs, customs policy, immunity, Presidency vacancies and external state debt.

V. REFUGEES AND DISPLACED PERSONS

59. The Council reaffirms that a central requirement of the Peace Agreement is the creation and maintenance of suitable conditions for the early, safe and orderly return of refugees and displaced persons to their homes of origin or to other places of their choice.

60. The Council pays tribute to the efforts of host countries. It welcomes those 250,000 returns that have taken place since the signing of the Peace Agreement. It warmly commends the efforts of humanitarian agencies, including UNHCR, and donors, working with local authorities to focus resources and projects on designated priority areas to ensure that refugees from those areas have homes and rudimentary infrastructure to which to return. It commends the integrated approach of the European Commission in the Una Sana Canton. Depending on the results of this approach the European Commission intends to extend it to other areas.

61. The Council recognises that serious obstacles to return remain, and calls upon the authorities in Bosnia and Herzegovina to eliminate them, including where appropriate by the adoption of comprehensive amnesties, and to adhere to their commitments under the Peace Agreement.

62. The Council welcomes the decision of the United Nations High Commissioner for Refugees to convene a meeting of the Humanitarian Issues Working Group on 16 December 1996 to discuss a two-year strategic plan to facilitate the early, phased, safe and orderly return of refugees and displaced persons.

63. The Council calls for financial support to UNHCR to enable it to carry out the following programme of activities designed to set practical arrangements in place to smooth the path for individuals wishing to return:

* to implement a Comprehensive Plan of Action in cooperation with countries of abode and Bosnia and Herzegovina and the relevant international organisations, including the Office of the High Representative, to facilitate return;

* to target priority areas for return;

* to develop programmes for the integration of refugees and displaced persons opting to settle in areas of their choice other than their previous homes;

* to focus on local capacity building to build up alternative structures and democratic forces;

* to expand the Bosnian Women's Initiative;

* to provide accommodation for a further 60,000 to 75,000 returnees and relocatees by rehabilitating 12,000 to 15,000 houses and apartments in 1997;

* to provide basic reconstruction materials for home repair;

* to expand the programme of rehabilitation of healthcare and school buildings;

* to establish advice and information centres in Bosnia and Herzegovina and to provide repatriation advice for refugees in host countries.

64. The Council believes that it is necessary that decisions on economic reconstruction and the political efforts of the Office of the High Representative should take account of the importance of furthering the return of refugees and displaced persons and invites the UNHCR, the European Commission, the World Bank and the Office of the High Representative to work together to develop these links.

65. The Council welcomes the foundation on 30 October 1996 of the Coalition for Return, comprising associations of refugees and displaced persons from within and outside Bosnia and Herzegovina, including members of all communities. The Council takes note of the Coalition's statement of 24 November 1996, and supports the efforts of the Coalition to achieve the objectives of Annex 7 of the Peace Agreement. The Council calls on the authorities in Bosnia and Herzegovina and neighbouring countries to cooperate with the Coalition and to facilitate its work.

66. The Council agrees on the need for a regional approach to refugee issues. There are substantial problems in the countries of the region, not only in Bosnia and Herzegovina, but also in respect of the right of refugees to return to the Republic of Croatia and to the Federal Republic of Yugoslavia. The Council will monitor strictly the efforts of regional countries to alleviate the present refugee and displaced persons situation, to facilitate returns and to prevent further displacement, and will take further measures accordingly.

67. The Council welcomes the undertaking of the International Organisation of Migration to continue its activities facilitating the return of refugees residing outside the countries of the former Yugoslavia. The Council commends the excellent work of the World Health Organisation, the International Committee of the Red Cross, the Federation of Red Cross and Red Crescent Societies and many other non-governmental organisations in caring for refugees and displaced persons from Bosnia and Herzegovina.

68. The Council stresses the importance of the authorities in Bosnia and Herzegovina fulfilling their obligations with regard to freedom of movement in order to create conditions for refugee return. It notes that this will require close co-operation between the High Representative, IPTF, SFOR and the agencies involved.

69. The Council recognises that all the above tasks will require further support by the international community and calls for generous help for the work of the humanitarian agencies and others involved in the reconstruction process. In this connection, the Council takes note of the United Nations Consolidated Inter Agency Appeal for 1997. The Council urges agencies and governments concerned with reconstruction and development programmes to ensure where possible that such efforts meet the infrastructure needs required to facilitate the return of refugees and displaced persons, particularly to the UNHCR target areas.

70. The Council welcomes the establishment on 15 October 1996 by the High Representative, UNHCR, IFOR, IPTF and the European Commission of a Procedure for Return and Reconstruction in the Zone of Separation which satisfies both the right to return and the requirements for security. The Council urges the authorities in Bosnia and Herzegovina to give full support to this Procedure, to enable its practical implementation. Comparable arrangements should be developed as necessary elsewhere in Bosnia and Herzegovina.

71. The Council will strengthen its support for the work of the Commission for Real Property Claims of Displaced Persons and Refugees which decides claims for the return of property or for just compensation in lieu of property. The Council urges the authorities in Bosnia and Herzegovina to implement new property legislation in accordance with the Peace Agreement, and to repeal contradictory laws.

VI. FREEDOM OF MOVEMENT AND COMMUNICATION

72. The Council recalls the provision in Article I of the Constitution of Bosnia and Herzegovina on freedom of movement of persons, goods, services and capital throughout Bosnia and Herzegovina. The Council reaffirms the critical importance of this provision and requires that immediate practical steps be taken to enhance freedom of movement and communication. These objectives must be pursued vigorously to attract international investment. It therefore welcomes the commitment of the authorities in Bosnia and Herzegovina to take the following steps:

- full and immediate implementation of the Annex to the Agreed Statement of 2 June 1996 in Geneva, under which the authorities in Bosnia and Herzegovina agreed to recognise the validity of drivers' licences, registration plates, vehicle registration and vehicle insurance issued by both Entities; reach agreement on a uniform registration plate; and ensure that local authorities implement this fully;

- early progress on linking the telephone systems in Bosnia and Herzegovina, with a single international dialling code, including a sub-code for each Entity. As a first step, the authorities in Bosnia and Herzegovina agree to re-establish inter-Entity telephone connections making use of all available technical assistance. To this end, the Council decides that no new assistance will be offered to the telecommunications sector unless connections between the systems are included in these efforts;

- full observance of the "rules of the road" agreed in Rome on 18 February 1996;

- further immediate action to establish Bosnia and Herzegovina-wide bus and rail services;

- early establishment of a commonly-administered airspace for Bosnia and Herzegovina. Encouragement of civil domestic air services connecting the key cities in Bosnia and Herzegovina. In particular, the authorities in Bosnia and Herzegovina have recognised that there can be only one legal authority in Bosnia and Herzegovina dealing with civil aviation and airspace issues - the Bosnia and Herzegovina Civil Aviation Authority - and have undertaken to work collectively, on an equal basis, in this organisation.

73. The Council remains concerned at the lack of progress in this area. Further measures to promote freedom of movement must be developed, and sanctions considered for violations of rights guaranteed by the Peace Agreement. The Council decides that an integrated strategy will be implemented urgently to secure full compliance with the requirements of the Peace Agreement on freedom of movement, and requests the High Representative to form a task force of appropriate agencies and interested countries to develop the necessary action plan.

VII. POLICE ASSISTANCE

74. The Commissioner of the International Police Task Force (IPTF) briefed the Council on the continuing requirements to advise, train and assist law enforcement personnel in Bosnia and Herzegovina. The Council thanked the IPTF for its work since December 1995.

75. The Council emphasises that restoring law and order is essential to establishing a durable peace in Bosnia and Herzegovina.

76. The Council welcomes:

- the request of the authorities in Bosnia and Herzegovina that the United Nations Security Council extend the mandate of the IPTF for a further year, as an UNCIVPOL operation, to carry out the tasks set out in Annex 11 of the Peace Agreement;

- the reaffirmation by the authorities in Bosnia and Herzegovina of their undertaking in the Peace Agreement to cooperate fully with the IPTF;

- the undertaking of the authorities in Bosnia and Herzegovina to restructure local police forces in line with democratic principles and plans prepared under the guidance of the IPTF. Such plans will be submitted to the IPTF Commissioner by not later than 31 January 1997, and a progress report made by 31 March 1997, with quarterly reports thereafter;

- the agreement of the authorities in Bosnia and Herzegovina to implement the guidelines on democratic policing principles agreed with the IPTF, with full support for human rights;

* the agreement of the authorities in Bosnia and Herzegovina to accelerate vetting of police officers and to take prompt and effective action in respect of any officer who is notified to them by the IPTF Commissioner as failing to cooperate with the IPTF or failing to adhere to democratic policing principles;

* the agreement of the authorities in Bosnia and Herzegovina to investigate urgently with the assistance of the IPTF, or to facilitate an IPTF investigation into, cases in which a police officer or an official of any other law enforcement or judicial agency is accused of involvement in any violation of human rights or fundamental freedoms. The results of any such investigations will be reported to the concerned Entity and relevant international bodies;

* the agreement of the authorities in Bosnia and Herzegovina to make arrangements for joint policing, with personnel from both the Federation and Republika Srpska, to ensure the security of common institutions;

* the measures agreed between the IPTF and IFOR/SFOR to provide for the security of IPTF personnel.

77. The Council calls on the international community to provide the personnel, equipment and support required to maintain the IPTF; requests that contributing nations assure the highest possible level of quality and experience of their candidates; encourages contributions of personnel to IPTF; and requests the IPTF to carry out the tasks set out in Annex 11 of the Peace Agreement, and in particular to:

* provide advice and training to assist in the restructuring of local police forces in accordance with the plans referred to above and in line with the democratic policing principles established under the authority of the IPTF; this includes advice on selection, promotion and dismissal of officers and supervisors;

* provide in particular training for senior officers from the local police forces and for trainees from the law enforcement training institutions, in areas of specialist expertise including operations against drugs and organised crime, human rights and public order policing;

* follow up the United Nations programme of assistance for the local police forces guided by the Conference on the IPTF held in Dublin on 28 September 1996, which called for significant donor contributions, including equipment. This support will only be given to those police forces carrying out restructuring plans following IPTF guidelines and democratic principles;

* monitor the treatment of persons detained by the local police or the military authorities or imprisoned by the judicial system, to ensure their right to due process is respected and enforced, including monitoring prisoners where necessary at any detention or prison facility;

* continue to work with IFOR/SFOR and the Entity police forces in coordinating plans for response to threats to local public safety and security;

* carry out investigations of human rights abuses by law enforcement officers.

VIII. ECONOMIC DEVELOPMENT AND RECONSTRUCTION

78. The Council recognises that the primary responsibility for the economic development of Bosnia and Herzegovina rests with the people and authorities of the country. Successful economic development will depend on the adoption of sound, market-based economic policies and the establishment of effective institutions. To encourage the achievement of a self-sustaining economic structure, the emphasis of the international community will gradually switch from reconstruction aid to support for appropriate economic policies and reforms.

79. The Council notes that:

* the authorities in Bosnia and Herzegovina have committed themselves to ensuring that the Central Bank will be operational as early as possible in 1997 in order to carry out the tasks set out in Article VII of the Constitution, on the basis of a Central Bank law approved by the Parliamentary Assembly;

* the authorities in Bosnia and Herzegovina are committed to restructuring their economies on the basis of market-oriented economic policies and significant privatisation of publicly-owned companies, and to establishing a sustainable fiscal framework which addresses revenue and expenditure responsibilities for all levels of government, including external debt obligations, and provides for reform where necessary and harmonisation of customs practices, tariffs, duties and tax policies;

* the authorities in Bosnia and Herzegovina agree to take urgent practical steps to ensure full freedom of movement of persons, goods, services and capital throughout Bosnia and Herzegovina, which is an essential condition for promoting

inter-Entity trade and economic development. This includes the establishment of a fully functioning customs service in each of the Entities which should operate on the basis of the customs policies and tariffs to be agreed by the common institutions, facilitating establishment of border crossing points along the entire state border line where appropriate, as well as an effective and fully functioning payments system;

* Bosnia and Herzegovina has undertaken to develop urgently a foreign trade policy with the aim of promoting an open trading policy and encouraging inward investment;

* the authorities in Bosnia and Herzegovina have agreed to cooperate closely with the IMF, the World Bank, the European Commission and the Office of the High Representative on structural reform, and with the IMF in maintaining financial stabilisation, undertaking institutional reform and developing their long-term economic strategy, with the aim of agreeing an IMF-supported economic adjustment programme as soon as possible.

80. The Council welcomes the commitment of the authorities in Bosnia and Herzegovina to passing laws to implement the commitments set out above, whether at the central or Entity level, including legislation on the 1997 budgets and fiscal framework, external debt, foreign trade, tariffs, foreign investment and banking. It also welcomes their undertaking to establish at the central and Entity levels the legal framework for a market-oriented economy, including in the areas of property and contract rights and labour law.

81. The Council commends the work of the donor community in Bosnia and Herzegovina in 1996, including the World Bank and the European Commission. It recognises that the future economic development of Bosnia and Herzegovina will require further support from the international community. Such support will be forthcoming during the consolidation period, on condition that the authorities in Bosnia and Herzegovina comply fully with the provisions of the Peace Agreement, as well as the commitments on economic development undertaken at this Conference.

82. The Council stresses that, while there is a continuing need for reconstruction assistance from the whole donor community, especially in key areas such as utilities, transport and telecommunications infrastructure and housing, the primary objective of future assistance should be to promote the economic development of Bosnia and Herzegovina, including durable employment, structural reform and programmes that link and integrate the Entities. To this end, it endorses the indications given by the World Bank and the European Commission with respect to their programmes for Bosnia and Herzegovina for 1997. It also welcomes the fact that the European Commission has begun discussions with Bosnia and Herzegovina on the possibility of establishing a contractual relationship between Bosnia and Herzegovina and the EU, designed to promote closer trading links.

83. The Council encourages the international community to consider substantial debt relief for Bosnia and Herzegovina in the appropriate fora, including the London and Paris Clubs, once an appropriate package of economic reforms has been agreed with the IMF.

84. The Council underlines that the success of all forms of economic assistance depends on that assistance being well targetted and properly implemented, and stresses the need for the closest possible cooperation between the authorities in Bosnia and Herzegovina, the international financial institutions, other relevant international organisations and bilateral donors.

IX. MINE REMOVAL

85. The Council notes that although the efforts of the international community, working with the United Nations-directed Mine Action Centre (MAC), have put in place a command and control infrastructure for future demining operations, the demining programme for Bosnia and Herzegovina has made insufficient progress. It recalls the responsibility of the authorities in Bosnia and Herzegovina for the long-term task of demining. In particular, it welcomes the agreement of the authorities in Bosnia and Herzegovina to establish a fully representative Bosnia and Herzegovina Commission for Demining by 31 January 1997. This Commission, assisted by the MAC, will channel resources for mine clearance to the Entities who, in 1997, should have extensive and efficient civilian mine clearing operations underway. The Commission will also maintain a central data-base and mapping facility, set standards for mine clearance operations and coordinate mine clearance projects which cross the Inter-Entity Boundary Line.

86. The Council notes that the Entities will adhere to the standards set by the Bosnia and Herzegovina Commission. The Entities, in cooperation with the Commission and the MAC, will set up Regional Centres for demining in Banja Luka, Bihac, Mostar and Tuzla by 28 February 1997.

87. In order to improve upon progress in 1996, the Council requires the authorities in Bosnia and Herzegovina to:

* use their military forces for demining according to internationally recognised standards;

* assist the MAC by providing data and assigning priorities to proposed demining projects;

* support the demining effort by exempting all aspects of demining operations from taxes and customs duties.

88. **The Council urges the authorities in Bosnia and Herzegovina to:**

*** reach agreement with the MAC for the transfer of facilities from the MAC's central and regional offices to the authorities in Bosnia and Herzegovina by 31 December 1997;**

*** nominate qualified candidates for MAC coordinated training programmes;**

*** devise a plan to reduce their holdings of anti-personnel mines by 1 October 1997, and in the meantime not to acquire additional stocks of mines.**

X. INDEPENDENT MEDIA

89. **The authorities in Bosnia and Herzegovina reaffirm their commitment to the right to freedom of expression set out in the European Convention for the Protection of Human Rights and Fundamental Freedoms and the International Covenant on Civil and Political Rights. The authorities acknowledge that freedom of expression, including a free and independent media, is an essential precondition for ensuring a democratic society in Bosnia and Herzegovina. The authorities undertake to:**

*** agree a new legal framework which will enable the authorities in Bosnia and Herzegovina to facilitate the creation and operation of independent broadcasting stations and networks throughout Bosnia and Herzegovina. Transparent and non-discriminatory procedures will be established by the authorities in Bosnia and Herzegovina, who are supplied by the ITU with frequencies, for licences to be issued to such stations and networks, whether they are granted at national, Entity or Cantonal level. The authorities in Bosnia and Herzegovina have a particular responsibility for ensuring that cross-Entity networks have the opportunity to receive frequencies, and they will look favourably on all such applications;**

*** take the necessary measures so that technical equipment and programming material for such stations and networks are exempt from customs duties or other import taxes;**

*** issue the necessary licences to enable the Open Broadcast Network (OBN) and TV-IN to operate throughout Bosnia and Herzegovina and to permit the establishment of additional facilities to enable OBN and TV-IN to be received throughout Bosnia and Herzegovina;**

*** issue the necessary licences to enable OBN and TV-IN to broadcast throughout Bosnia and Herzegovina. The Entities will ensure that additional facilities can be established to enable programming to be received throughout Bosnia and Herzegovina;**

* ensure that any laws and regulations governing the media are fully consistent with relevant international agreements, respect the right to freedom of expression and are applied in a non-discriminatory way;

* agree a new legal framework which will permit the establishment and circulation of newspapers, magazines and other published material by repealing all restrictive laws or administrative regulations governing the right to set up newspapers, magazines and other published material and by permitting the import of equipment, other necessary material and newsprint without restriction.

90. The Council recognises the pressing importance of independent media questions and agrees on the need to contribute to the funding of the second phase of the Open Broadcast Network project under its two-year consolidation plan. The Council welcomes the reinforced role of the Office of the High Representative in co-ordinating assistance to the independent media.

91. It also welcomes the intention of the European Commission to contribute to the drawing up of a longer-term framework for media development, following on the recommendations of the Conference on the Role of the Media in Support of the Peace Process in the Former Yugoslavia, organised by the Commission on 29 November.

XI. BOSNIA AND HERZEGOVINA AND THE EUROPEAN INSTITUTIONS

92. The Council reaffirms that Bosnia and Herzegovina's future lies in participation in a European family of nations committed to democratic principles, free markets and open trading policies.

93. The Council notes the conclusions of the Council of Ministers of the European Union on 28 October 1996, concerning future relations between the European Union and countries of the former Yugoslavia. It notes in particular that the development of these relations will be conditional upon full support for the Peace Agreement, including respect for Bosnia and Herzegovina as an independent, democratic, multi-ethnic state with secure borders. Respect for democratic norms and human and minority rights are key factors in the implementation of this approach.

94. In this context, the Council welcomes the European Union's intention to consider proposals from the European Commission, in the light of its ongoing discussions with the authorities of Bosnia and Herzegovina, for a contractual relationship between the European Union and Bosnia and Herzegovina.

95. The Council recalls Bosnia and Herzegovina's application to become a full member of the Council of Europe, in which it expressed its readiness to respect the rule of law and the enjoyment by all persons within its jurisdiction of human rights and fundamental freedoms. It encourages the efforts of Bosnia and Herzegovina, with the support of the international community, towards forming a democratic society which will meet Council of Europe membership standards at the earliest possible moment.

XII. COORDINATION STRUCTURES

96. The Council congratulates the High Representative and his staff on their exceptional achievement in Bosnia and Herzegovina in 1996. The High Representative's contribution has been crucial to the civilian implementation achievements of the last twelve months.

97. The Council agrees that civilian implementation tasks will be of the highest priority in 1997, and welcomes the fact that the High Representative's co-ordination structures established in the Peace Agreement and elaborated in the Conclusions of the 1995 London Peace Implementation Conference and the 14 November 1996 Paris Ministerial Meeting of the Steering Board will continue on a reinforced basis in 1997.

98. The Council undertakes to do everything possible to meet requests from the High Representative for staff and other support.

99. The Council further decides that:

- the Peace Implementation Council (PIC) will continue in 1997 as the overall structure supervising peace implementation in Bosnia and Herzegovina;

- the Steering Board of the PIC will continue to provide the High Representative with political guidance on peace implementation. It will continue to meet monthly, inviting representatives of relevant international organisations to attend as appropriate.

- in the event of a vacancy, following consultation with members of the PIC, the Steering Board will designate a High Representative.

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100. On funding, the Council agrees that Governments that second staff to the High Representative will continue to bear the cost of salaries and any other national emoluments. Governments sending representatives to attend meetings called by the High Representative will bear the cost of travel and accommodation. A budget to cover the future operational costs of the PIC, notably the cost of the headquarters and offices of the High Representative, will be funded on the key agreed by members of the Steering Board, together with voluntary contributions from other members of the PIC.

101. The Council, recalling the Paris Conclusions, agrees that:

- the High Representative will be based in Sarajevo with a subsidiary office in Brussels;

- the High Representative will continue to chair the Steering Board, Principals' meetings in Sarajevo, the Economic Task Force and other meetings with key implementation agencies;

- the High Representative will open regional offices throughout Bosnia and Herzegovina as circumstances require, and subject to resource constraints;

- the High Representative will report periodically to the United Nations Security Council, copying his report to the authorities in Bosnia and Herzegovina;

- the High Representative will have the authority to make recommendations to the authorities in Bosnia and Herzegovina and the PIC.

102. The Council underlines the importance of providing an economic and political framework for the international community's work on reconstruction. It therefore:

- welcomes the undertaking of the international agencies to continue to hold regular meetings of their senior representatives in Sarajevo in the framework of the Economic Task Force, under the chairmanship of the High Representative, and of all donors to endeavour to implement the conclusions of the Economic Task Force on the priorities and principles of international reconstruction assistance, taking into account their mandates, policies and procedures;

- notes that the Economic Task Force will monitor, report on and support the implementation effort with the objective of helping to avoid duplication, accelerating disbursement of pledged funds, ensuring coverage of priority projects and eliminating obstacles created by the authorities in Bosnia and Herzegovina to the timely completion of projects;

- welcomes the agreement of the World Bank, the European Commission, the EBRD and others to support the Economic Task Force, notably with secondment of personnel to its Secretariat.

103. The Council takes note of reports from the working groups on State Succession and Humanitarian Issues and on Ethnic and National Communities in Bosnia and Herzegovina and in Neighbouring Countries.

XIII. SECURITY MATTERS

104. The Council notes the successful completion of IFOR's mission. Recognising the continuing importance of a stable and secure environment, including for a continued civil effort in Bosnia and Herzegovina, the Council welcomes the confirmation by the Presidency, on behalf of Bosnia and Herzegovina, including its constituent Entities, of the following understandings:

* that Bosnia and Herzegovina welcomes a follow-on stabilisation force (SFOR) to be organised and led by the North Atlantic Treaty Organisation;

* that Bosnia and Herzegovina welcomes and invites action by the United Nations Security Council to continue the authorisation granted in paragraphs 14 to 17 of its resolution 1031 (1995) with respect to the follow-on force, and that it will co-operate fully;

* all other understandings as set out in the letter dated 29 November 1996 from the Secretary General of the North Atlantic Treaty Organisation.

105. The Council further welcomes the confirmation on behalf of the Republic of Croatia and the Federal Republic of Yugoslavia of corresponding understandings, and in particular notes the agreement of the authorities concerned to extend their commitments regarding access and status of forces, as set out in the letters attached to Annex 1-A of the Peace Agreement.